

## Message Text

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14

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 AGR-05 SP-02 STR-04 TRSE-00 CIEP-01

FRB-03 OMB-01 AID-05 DODE-00 PM-04 H-02 L-03 NSC-05

PA-01 PRS-01 SS-15 USIA-06 /088 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8653

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E.O. 11652: N/A

TAGS: PINT, ELAB, PE

SUBJECT: MORALES BERMUDEZ MAKES OFFER TO LABOR

REF: LIMA 0924

1. ON JANUARY 30 PRESIDENT MORALES BERMUDEZ HELD WELL-PUBLICIZED MEETING WITH LEADERS OF THE INCHOATE FRONT FOR THE DEFENSE OF THE REVOLUTION (FND RP). THE FND RP IS COMPOSED OF REPRESENTATIVES FROM GOVERNMENT-SUPPORTED ORGANIZATIONS INCLUDING PEASANTS (CNA), TRADE UNIONS (CTRP), TEACHERS (SERP) AND INDUSTRIAL COMMUNITIES.

2. IN AN EFFORT TO CALM THE TENSE LABOR SITUATION, MORALES BERMUDEZ ANNOUNCED THAT THE 1913 LAW REGULATING STRIKES WOULD BE ABROGATED. HE ALSO DECLARED THAT GOP LABOR LAW AND POLICIES WOULD BE REVIEWED IN ACCORDANCE WITH REVOLUTIONARY PRINCIPLES AND THE RECOMMENDATIONS OF A SPECIAL COMMISSION WHICH WOULD INCLUDE TRADE UNION REPRESENTATIVES.

3. MORALES BERMUDEZ DISCUSSED MOST IMPORTANT LABOR GRIEVANCE, THE RECENTLY-IMPOSED WAGE CEILING. DECLARING THAT THE GOVERNMENT HAD NEVER INTENDED TO PENALIZE WORKERS OR RETRO-ACTIVELY DENY WAGE GAINS, MORALES BERMUDEZ PROMISED A HARD  
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LOOK AT POSSIBLE MODIFICATION OF THE DECREE LIMITING WAGE

INCREASES.

4. OTHER COMMENTS OF MORALES BERMUDEZ MOST NOTED BY PRESS WERE HIS ANNOUNCEMENT THAT LONG-EXPECTED CHANGE IN INDUSTRIAL COMMUNITY LAW WOULD SOON BE FORTHCOMING AND HIS STATEMENT THAT A BASIC GOVERNMENT PLAN MODIFYING THE ORIGINAL PLAN INCA WOULD BE READY BY MID-MARCH. THE NEW PLAN WOULD PROVIDE A GUIDE FOR THE REVOLUTION'S SECOND PHASE, AS THE PLAN INCA DID FOR THE FIRST.

5. ALTHOUGH CTP LEADERS CALLED PRESIDENT MORALES BERMUDEZ' SPEECH FORTHCOMING, THIS APRA-ORIENTED CONFEDERATION IS CARRYING OUT A 48-HOUR PROTEST STRIKE. UNION CLAIMS UP TO 140,000 WORKERS WALKED OFF JOBS IN LIMA. STRIKE WAS NOT READILY NOTICED IN LIMA AREA FEBRUARY 2 BUT MAY HAVE HAD IMPACT ON TEXTILE INDUSTRY AND SUGAR CO-OPERATIVES. AS EXPECTED, CTP STRIKE WAS CONDEMNED BY PRESS, REVOLUTIONARY ORGANIZATIONS, AND REST OF TRADE UNION MOVEMENT. ALL TERMED STRIKE A FAILURE. MEANWHILE, COMMUNIST CGTP, LIMA AREA CTRP AND CHRISTIAN DEMOCRAT CNT MET JANUARY 30 TO SET UP (ON TEMPORARY BASIS AT LEAST) A UNIFYING COUNCIL TO COORDINATE LABOR'S DEMANDS. AS IF TO REPUDIATE FNDRP AS LABOR INTERLOCUTOR THE COUNCIL HAS REQUESTED A MEETING WITH MORALES BERMUDEZ TO DISCUSS LABOR POLICY AND ECONOMIC DECREES.

6. IN FACE OF CONTINUING RUMORS OF MORE STRIKES AND POSSIBLE UNREST IN CONNECTION WITH FEBRUARY 5 ANNIVERSARY OF LAST YEAR'S CIVIL DISTURBANCES, THE MINISTRY OF INTERIOR ISSUED COMMUNIQUE FEBRUARY 2 WARNING "COUNTER-REVOLUTIONARIES" THAT THE GOVERNMENT WOULD VIGOROUSLY DEFEND ITSELF AND THE REVOLUTIONARY PROCESS AGAINST ANY EFFORTS TO "DISTURB PUBLIC ORDER".

7. COMMENT: MEDIA TERMED THE PRESIDENT'S JANUARY 30 MEETING AN OPEN AND FRANK DIALOGUE BETWEEN GOVERNMENT AND PEOPLE AND CLAIMED THAT MORALES BERMUDEZ HAD SATISFIED LABOR'S MOST INSISTENT DEMAND. HOWEVER, THE 1913 STRIKE LAW ISSUE IS A FALSE ONE AS THIS LAW HAS BEEN WIDELY DISREGARDED. LABOR'S MAJOR PROBLEM REMAINS GOVERNMENT-DECREED WAGE LIMITATIONS AT A TIME OF RAPID INFLATION. WE DOUBT THAT MORALES BERMUDEZ' PROMISE LIMITED OFFICIAL USE

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TO CONSIDER MODIFICATION OF WAGE DECREE AND TO FORM A LABOR COMMISSION WITH TRADE UNION REPRESENTATION WILL BE SUFFICIENT TO CALM TROUBLED LABOR SCENE.  
DEAN

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## Message Attributes

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